

There are so many examples that I could give of the fact that the government has come under the control of bureaucrats. One of the best came up recently in regard to the National Reconnaissance Office. It came out last year that they had spent \$310 million building a new building that nobody knew about, a 1 million square foot building, \$310 a square foot.

I would simply say this. It is time that we give the government of this country back to the people of this country and remind the Federal bureaucracy that they are working for us, and not us for them.

IT IS TIME TO REPEAL THE DAVIS-BACON ACT

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under a previous order of the House, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 5 minutes.

Mr. HOEKSTRA. Mr. Speaker, I appreciate the opportunity to address the House this evening.

Earlier today the Education and Economic Opportunity Committee did something that the General Accounting Office suggested we do in 1979: We began the process for eliminating the Davis-Bacon Act. Davis-Bacon is not right for America in the 1990's. It might have served a role in 1931 when it was originally formatted, but today, it is an outdated law. It has to be changed.

What Davis-Bacon requires is that workers on Federal construction projects be paid a wage at or above the level determined by the Department of Labor to be the prevailing wage in the area. Since 1937, the prevailing wage provision has been extended by many statutes to involve construction, financed in whole or in part by the Federal Government.

In 1979, the General Accounting Office recommended the repeal of the Davis-Bacon Act. They stated that it appeared to be impractical to administer. Davis-Bacon is impractical to administer due to the magnitude of the task of producing an estimated 12,400 accurately and timely generated prevailing wage determinations.

Mr. Speaker, what we have here is the Department of Labor trying to determine prevailing wages in specific job categories around the country for every country. It does not make any sense in 1995. Prevailing wages can be determined very effectively through the competitive bidding process.

I would like to yield to my colleague from Michigan [Mr. SMITH] to just give us an example of what happens when the Department of Labor tries to determine prevailing wages throughout the country.

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to give a quote from George Will. He says:

Although there is stiff competition for the title, 'Dumbest Thing the Government is

Doing,' a leading candidate is the government's refusal to repeal the Davis-Bacon Act.

Mr. Speaker, guess who said this? Milton Friedman:

Davis-Bacon is not outdated; it never made sense. From the outset, it was special interest legislation designed to have the taxpayers provide a subsidy in concealed form to members of the construction unions and to the union leaders. It never should have been enacted, and it should be repealed.

Mr. HOEKSTRA. Mr. Speaker, let me also just inform some of my colleagues of what is happening. In the State of Oklahoma, two wage analysts have been responsible for handling the data submitted to and generated by the Department of Labor for the 11-state region that includes Oklahoma. What has happened in Oklahoma?

In mid August the U.S. Department of Labor faxed copies of 49 WD10s. This is the form that various people voluntarily submit to the Federal government. It was indicated that several of the projects were entirely bogus and virtually all of the submitted forms contained grossly inflated or otherwise inaccurate information. The end result: Taxpayers end up paying more for construction than they otherwise would have to.

Among the bogus WD10 forms is a form indicating the use of seven asphalt lay-down machines and seven roller finishers for an Internal Revenue Service building in downtown Oklahoma City. In reality, the parking lot is very small, fewer than 30 total spaces, and is made of concrete, not asphalt. A bogus form intended solely to drive up the rates on the prevailing wage scale.

Specifically in the case of the asphalt lay-down machine operators, the bogus wage and fringe benefits were 44 percent higher than the union collective bargaining agreement and 30 percent higher than the prevailing wage rate in existence at that time. A clearly fraudulent attempt to take money from the American taxpayers.

At best, in 1995, the Davis-Bacon wage rates reflect a 7-year-old reality. The average prevailing wage study is 7 years old. At worst, they reflect a fraudulently manipulated wage well above market rates.

We do not need to reform Davis-Bacon. It cannot be reformed. It cannot be fixed. It does not make sense in 1995. It did not make sense in 1931. Mr. Speaker, I yield to my colleague from Michigan.

Mr. SMITH of Michigan. Mr. Speaker, for example, electricians in Philadelphia average \$15.76 per hour on private contracts, but the prevailing wage for them is \$37.97. There are many similar examples, as you point out.

Mr. HOEKSTRA. Mr. Speaker, we need only use the same wage determiner as used in the Private sector, which is supply and demand. Only the market can accurately set wages that reflect reality.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota [Mr. POMEROY] is recognized for 5 minutes.

[Mr. POMEROY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. MINGE] is recognized for 5 minutes.

[Mr. MINGE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

CONGRESS NEEDS MORE HEARINGS ON MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BARCIA] is recognized for 5 minutes.

Mr. BARCIA. Mr. Speaker, the debate on Medicare has spiraled out of control. To cut \$270 billion from this senior program, without proper debate and substantial information, will only hurt the future of the program.

Medicare is one of most critical issues that Congress will consider this year. It only makes sense to hold hearings, and discuss changes with not only Members but also with seniors who will be greatly impacted by these changes. It is unthinkable that senior's access to health care will be reduced or eliminated without allowing them a chance to voice their opinions.

I continue to hear from hundreds of seniors in my district, urging me to protect their benefits. They are worried their small monthly incomes will not allow them to pay higher fees for Medicare. I have even heard from older Americans who are not yet eligible for Medicare. They are telling me that health care must be changed in this country but that the budget must not be balanced on the backs of the elderly. If we increase the monthly premiums of Medicare, then we must also be prepared to address the issue of seniors who cannot pay these premiums and how elderly Americans will have access to health care. I am afraid too many will have to go without.

I have also heard from hospitals in my district, many of them in rural areas. Most of the revenue for these hospitals comes from Medicare patients. These hospitals are already struggling with soaring costs and to lose them would be devastating to the rural communities in my State. If Medicare reimbursements are cut even further they will have no other choice but to simply go out of business.

I feel Congress must make efforts to save Medicare by strengthening and improving the system, not destroying it. For many seniors, Medicare has not only improved the quality of their lives, but for many it has extended their life. With 99 percent of Americans over 65 currently having access to health care, Congress must not forget